

## MEMORANDUM

### A.2406 (Pichardo)

***AN ACT to amend the public health law, in relation to managed long term care plans not being controlled or owned by for-profit health maintenance organizations or insurers***

LeadingAge New York agrees with the sponsor of this legislation that Managed Long Term Care Plans (MLTCPs) should primarily be owned by long term care providers or service entities, as to promote best practices consistent with the interests of recipients.

Unlike commercial based plans, MLTCPs owned by long term care providers already have considerable, specialized experience in coordinating care and providing services to frail elderly Medicaid recipients. In addition, provider-based plans also have a proven track record in New York of providing high quality services and satisfying their enrollees.

Such MLTCPs also have considerable experience in dealing with the Medicare program and the needs of dual eligible individuals. As New York tries to coordinate the Medicaid and Medicare benefits of chronically ill older people, MLTCPs will ultimately help with this purpose given their experience.

Unlike MLTCPs owned by a long term care provider, commercial plans could easily, through their larger capitalization, grow very large and subsequently decide to pull out of the market, leaving a void of services—and recipients at risk.

In addition, commercial plans are often parts of larger, out-of-state companies that may take their earnings out of New York, rather than reinvesting them in communities and services like not-for-profit provider-based plans. In an effort to keep New York's caregivers, seniors and frail elderly in their communities, LeadingAge New York supports provider-based plans.

For these reasons, LeadingAge New York supports A.2406 (Pichardo) and urges that it be adopted.

*LeadingAge New York represents nearly 500 not-for-profit and public long-term care providers, including nursing homes, home care agencies, senior housing, retirement communities, assisted living, adult care facilities, adult day health care and managed long term care.*